

United States
Department of
Agriculture**Commodity Fact Sheet****Burley Tobacco****1997 Support Program and Related Information****Statutory Authority**

Farm marketing quotas on a poundage basis are in effect for 1997-crop burley tobacco. Since 1971, the Agricultural Adjustment Act of 1938, as amended, has authorized burley poundage quotas in lieu of acreage allotments. The statutory authority was further amended in 1986 to revise the formulas for the marketing quota and price support level. By 96.8 percent, producers voting in a February 1995 referendum approved the poundage program for the 1995-97 crops. The marketing year for burley tobacco begins October 1.

Marketing Quotas

The national marketing quota for the 1997 burley crop is 699 million pounds, 11 percent more than the 1996 crop quota. Under poundage marketing quotas, if the marketings from a farm are less than the poundage quota for the farm, the difference is added to the farm's quota for the next crop year. Marketings above a farm's poundage quota are deducted from the next crop year's quota.

Loan Level

The national support level for the 1997-crop burley tobacco is 176.0 cents per pound, 2.3 cents more than the 1996 crop. USDA sets individual grade loan rates before the marketing season begins.

Assessments

As a condition of price support eligibility, both burley tobacco producers and buyers must agree to pay a no-net-cost assessment and marketing assessment for the 1997 crop. The no-net-cost assessment has been set at 0.12 cent for both producers and buyers. The 1997 marketing assessment will be 0.8800 cent per pound on both growers and buyers, so the total assessment will be 1 cent on both producers and buyers.

Support Method

Price support is available to qualified growers through the Burley Tobacco Growers Cooperative Association and the Burley Stabilization Corporation under contractual arrangement with USDA's Commodity Credit Corporation (CCC). The stabilization cooperatives automatically buy the tobacco not sold at the support rate, using funds loaned by the CCC. Up to 103 percent of a farm's poundage quota is eligible for support. Producers are required to certify that pesticides used in producing their tobacco have been approved by the Environmental

Protection Agency and that these products have been used in accordance with the label direction.

Loan Inventory

As of July 1, 1997, the two stabilization cooperatives held 141 million pounds of tobacco, farm sales weight, valued at about \$285 million. One year earlier, the loan inventory totaled 213 million pounds and was valued at \$425 million. On December 1, 1994, the two cooperatives contracted to sell inventories of 1991-93 crops over a 7-year period.

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Commodity Fact Sheet*Burley Tobacco*

Crop Year	National Marketing Quota (million lbs.)	Production (million lbs.)	National Average Support Price (cents per lb.)	No-Net-Cost ¹ Assessment Producers Buyers (cents per lb.)		Average Price to Farmers (cents per lb.)	Farm Value (million \$)
1960		484.7	57.2			64.3	311.5
1961		580.3	57.2			66.5	386.1
1962		674.9	57.8			58.6	395.4
1963		755.1	58.3			59.2	446.7
1964		619.8	58.9			60.3	373.8
1965		586.3	59.5			67.0	392.8
1966		586.7	60.6			66.9	392.5
1967		540.6	61.8			71.8	388.2
1968		563.4	63.5			73.7	415.1
1969		591.4	65.8			69.6	411.6
1970		560.5	68.6			72.2	404.9
1971	555	472.6	71.5			80.9	382.4
1972	532	590.3 ²	74.9			79.2	467.7
1973	560	461.9	78.9			92.9	429.3
1974	606	610.4	85.8			113.7	694.0
1975	670	638.3	96.1			105.5	674.0
1976	635	663.8	109.3			114.2	758.1
1977	636	612.5	117.3			120.0	735.0
1978	614	617.6	124.7			131.2	810.3
1979	614	445.8	133.3			145.2	647.3
1980	614	557.5	145.9			165.9	924.9
1981	660	725.6	163.6			180.7	1,311.2
1982	680	776.7	175.1	1.0		181.0	1,405.8
1983	647	526.7	175.1	5.0		177.3	933.8
1984	582	673.7	175.1	9.0		187.6	1,263.9
1985	524	541.9	148.8 ³	4.0 ⁴		159.4	863.8
1986	493	419.8	148.8	2.75	1.25	156.5	657.0
1987	464	427.5	148.8	2.00	2.00	156.3	668.2
1988	473	468.1	150.0	0.80	0.80	161.1	754.1
1989	588	498.3	153.2	1.00	1.00	167.2	833.2
1990	602	592.2	155.8	1.00	1.00	175.3	1,038.1
1991	726	657.0	158.4	1.00	1.00	178.8	1,174.7
1992	670	699.8	164.9	1.00	1.00	181.5	1,270.1
1993	603	626.6	168.3	1.00	3.50	181.6	1,137.9
1994	543	568.0	171.4	4.50	4.60	184.1	1,051.2
1995	549	482.5	172.5	1.00	1.00	185.5	893.2
1996	631	516.3	173.7	1.00	1.00	192.2	992.3
1997	699		176.0				

¹ Includes budget deficit assessment (1988 and 1989) and marketing assessment beginning in 1991.

² Marketings beginning in 1972.

³ Reduced from 178.8 by Public Law 99-157, November 15, 1985.

⁴ Reduced from 30 cents by P.L. 99-157.

(For statistics for the years 1940 through 1959, see "Burley Tobacco Commodity Fact Sheet," dated April 1978.)